

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
OFFICE OF TAX AND REVENUE



OTR TAX NOTICE 2013-05

District of Columbia Sales and Use Tax Rate Decrease

September 17, 2013

Sales and Use Tax Rate Decrease

The District of Columbia general sales and use tax rate has been decreased from 6 percent to 5.75 percent, effective October 1, 2013.

The special rates for prepaid telephone cards, rental or leasing of vehicles and certain utility trailers, food and beverages for immediate consumption and liquor for off premise consumption (10 percent), parking (18 percent), other tobacco products (12 percent) and transient accommodations (14.5 percent) have NOT changed. Medical marijuana will remain at 6 percent.

The excise tax on sales of motor vehicles has NOT changed.

Effective Date of the Rate Decrease

The gross receipts from sales executed in the District of Columbia prior to October 1, 2013 are taxable at the 6 percent rate. The sales tax applies on the date the sale is made, regardless of the time of payment or delivery. If the sale is made on or after October 1, 2013, it is taxed at 5.75 percent.

If the sale is made by a vendor located outside the District of Columbia, the tax on the purchase - the use tax - whether collected by the vendor or remitted by the purchaser is due at the 5.75 percent rate if possession is taken in the District on or after October 1, 2013.

Lease or Rental Payments

The tax due on rental or lease payments for rentals or leases of tangible personal property applies to each rental or lease period, regardless of the length of the lease or the date the lease agreement was signed. Payments for lease periods beginning on or after October 1, 2013, for leases of other than motor vehicles, are subject to the tax at the 5.75 percent rate.

For additional information, please contact OTR's Customer Service Center at (202) 727-4TAX.